

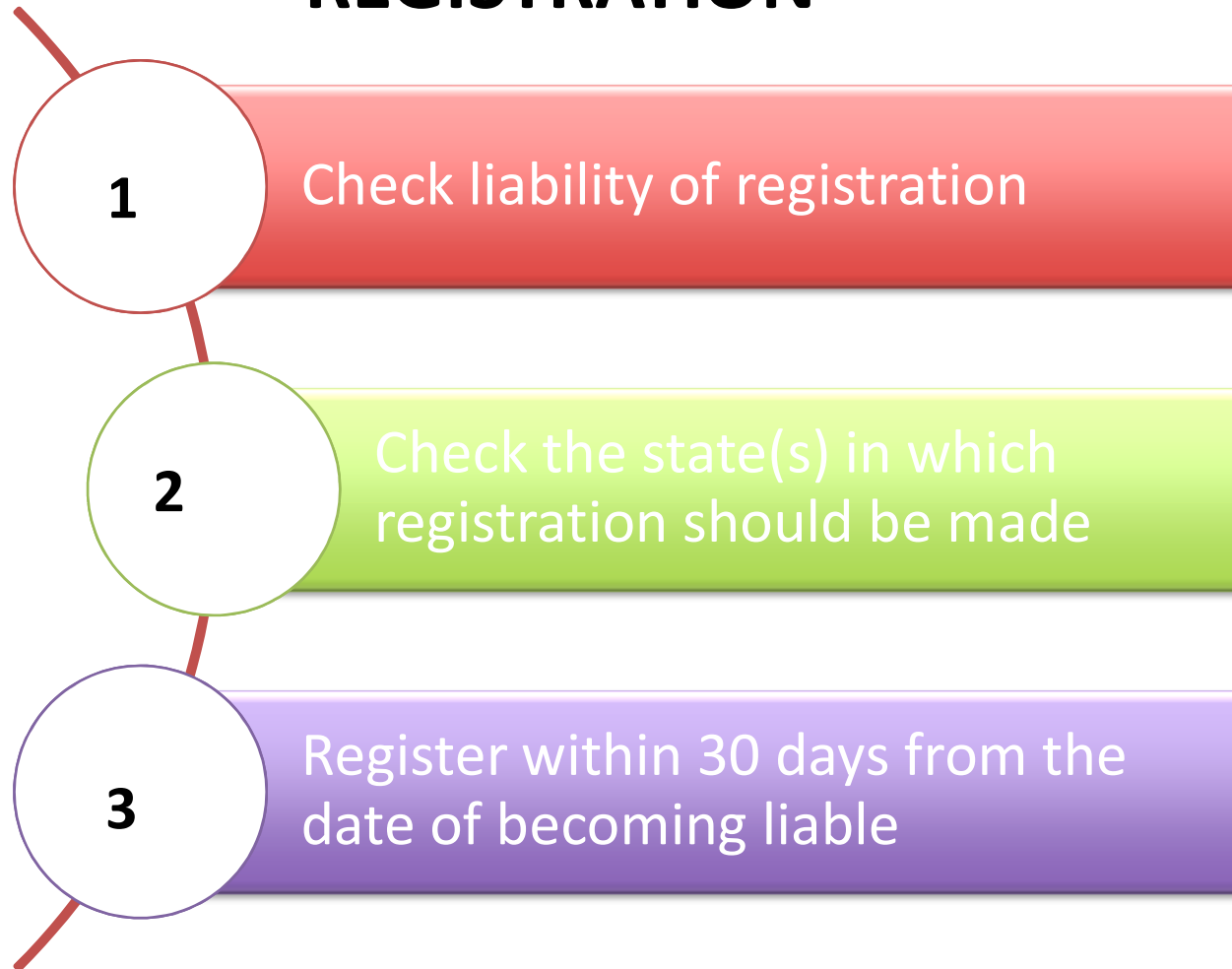
**Job Work, E-commerce &
Transition ITC
Goods and Services
Tax(GST)**

REFRESHER COURSE ON GST

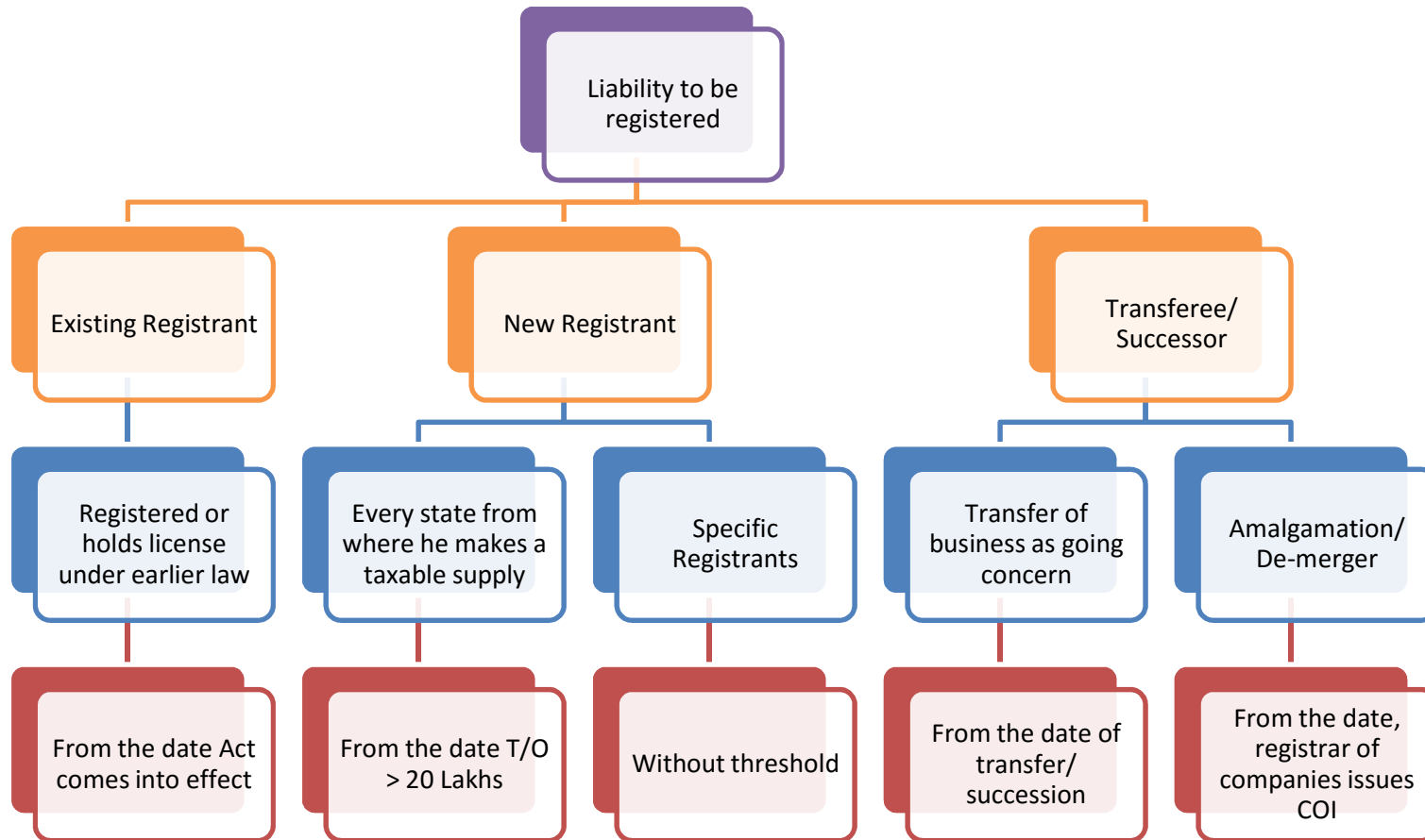
CA Ashish Kedia

A V Kedia & Associates

MANDATORY REGISTRATION



Distinct Registration no. – Distinct Person



NEW REGISTRANT

Every supplier liable to be registered in the state(s) he undertakes taxable supply of good and/or services if his aggregate turnover in a FY > 20 Lakhs

Supplier is not a taxable person till aggregate turnover in a FY > 20 Lakhs

Supplier from any Special category States then threshold for registration is is 10 Lakhs

AGGREGATE TURNOVER

Aggregate Turnover will include and exclude value of following:

Includes	Excludes
All taxable supplies	All non-taxable supplies
All exempt supplies	Taxes under CGST/ SGST/ IGST Act
Export of good/ services	Supplies on which tax is charged under RCM
O/w Reverse charge supplies	Value of Inward supplies

Taxable supplies will include supply carried out on own account as well as made on behalf of all Principals

Supply of goods by principal to jobworker for completing job work will not be considered in T/o of jobworker

SPECIAL CATEGORY STATES

Assam	Uttarakhand
Tripura	Manipur
J&K	Mizoram
Himachal Pradesh	Sikkim
Meghalaya	Nagaland
Arunachal Pradesh	

LOCATION OF SUPPLIER



Location of
supplier of
goods – Not
defined



Location of
supplier of
service means
(Section 2 (65))

LOCATION OF SUPPLIER OF SERVICE MEANS

Supply from registered place of business

- Location of **such place of business**

Supply from unregistered place of business, say, fixed establishment

- Location of **fixed establishment**

Supply from more than one establishment (business premises) fixed establishment

- Location of the establishment most directly concerned with the provision of supply

Other cases

- Location of usual place of residence of supplier

Mandatory Registration

Interstate
supplies

Casual Taxable
person

Persons under
RCM

Non resident
taxable person

TDS/ TCS
deductors

Brokers/
Agents

Vendor on E-
commerce
platform

E-commerce
operator

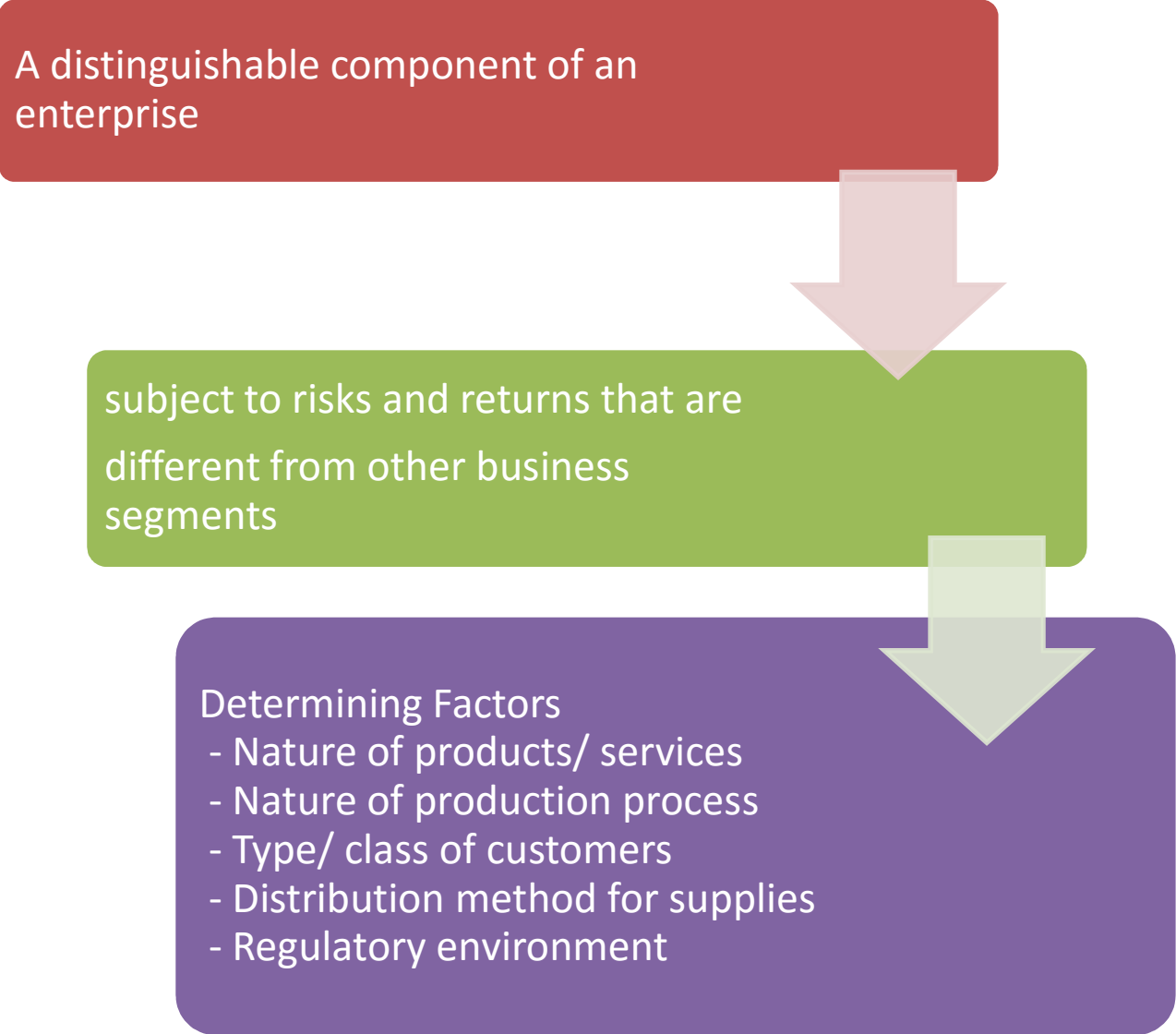
Aggregator/
Online
Database

Input service
distributor



BUSINESS SEGMENT AS 17

A distinguishable component of an enterprise



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graph TD; A[A distinguishable component of an enterprise] --> B[subject to risks and returns that are different from other business segments]; B --> C[Determining Factors<br/>- Nature of products/ services<br/>- Nature of production process<br/>- Type/ class of customers<br/>- Distribution method for supplies<br/>- Regulatory environment];
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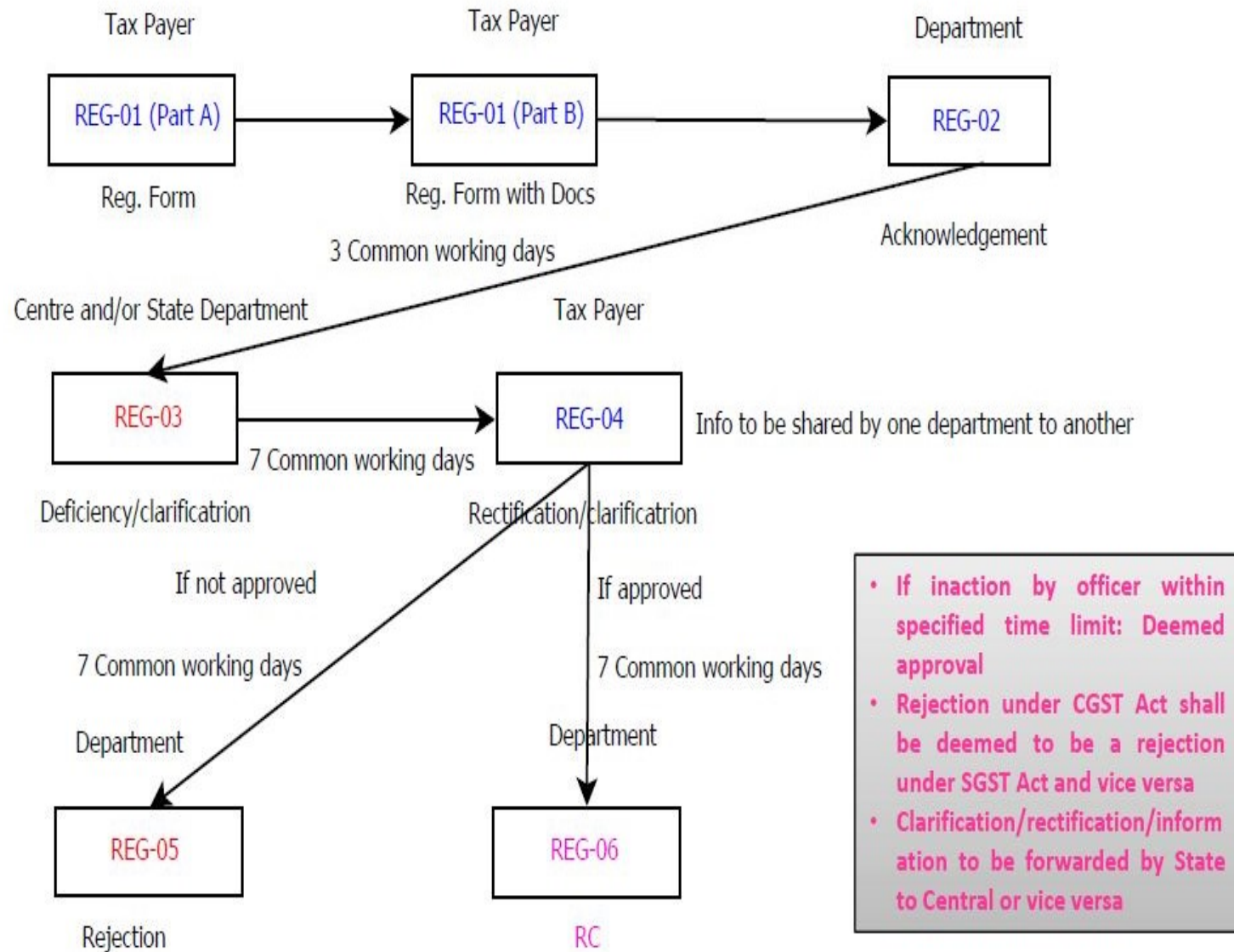
Determining Factors

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- Distribution method for supplies
- Regulatory environment

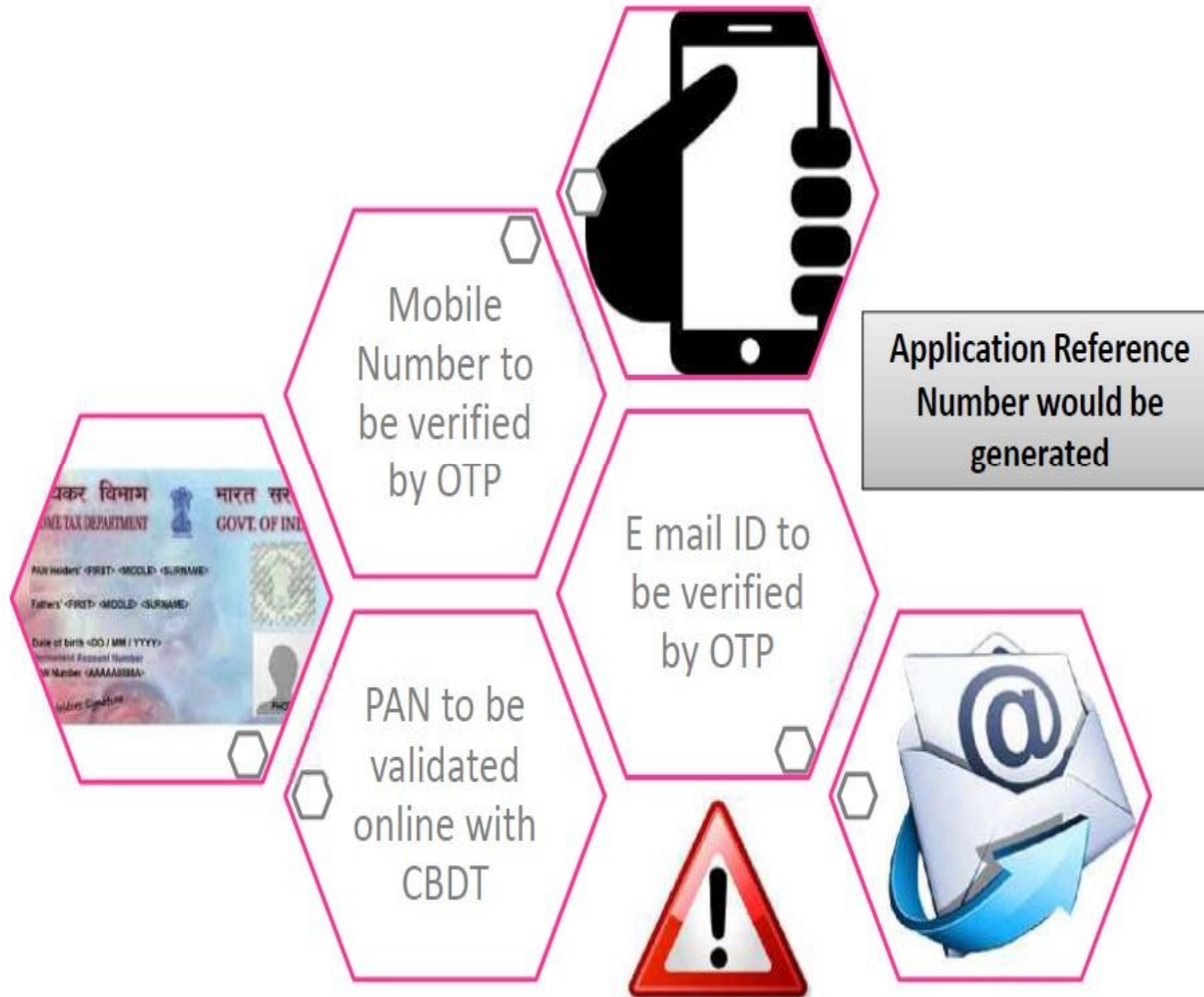
VOLUNTARY REGISTRATION (Section 19)

- All provisions of this Act applicable
- Why would one take voluntary registration?
 - For claiming ITC
 - Due to Customer's specific demand
 - To have unbroken chain of GST till the goods/services reach end consumer
 - To pass on the credit-ISD

PROCESS OF REGISTRATION



GST REG 01 (Part A)

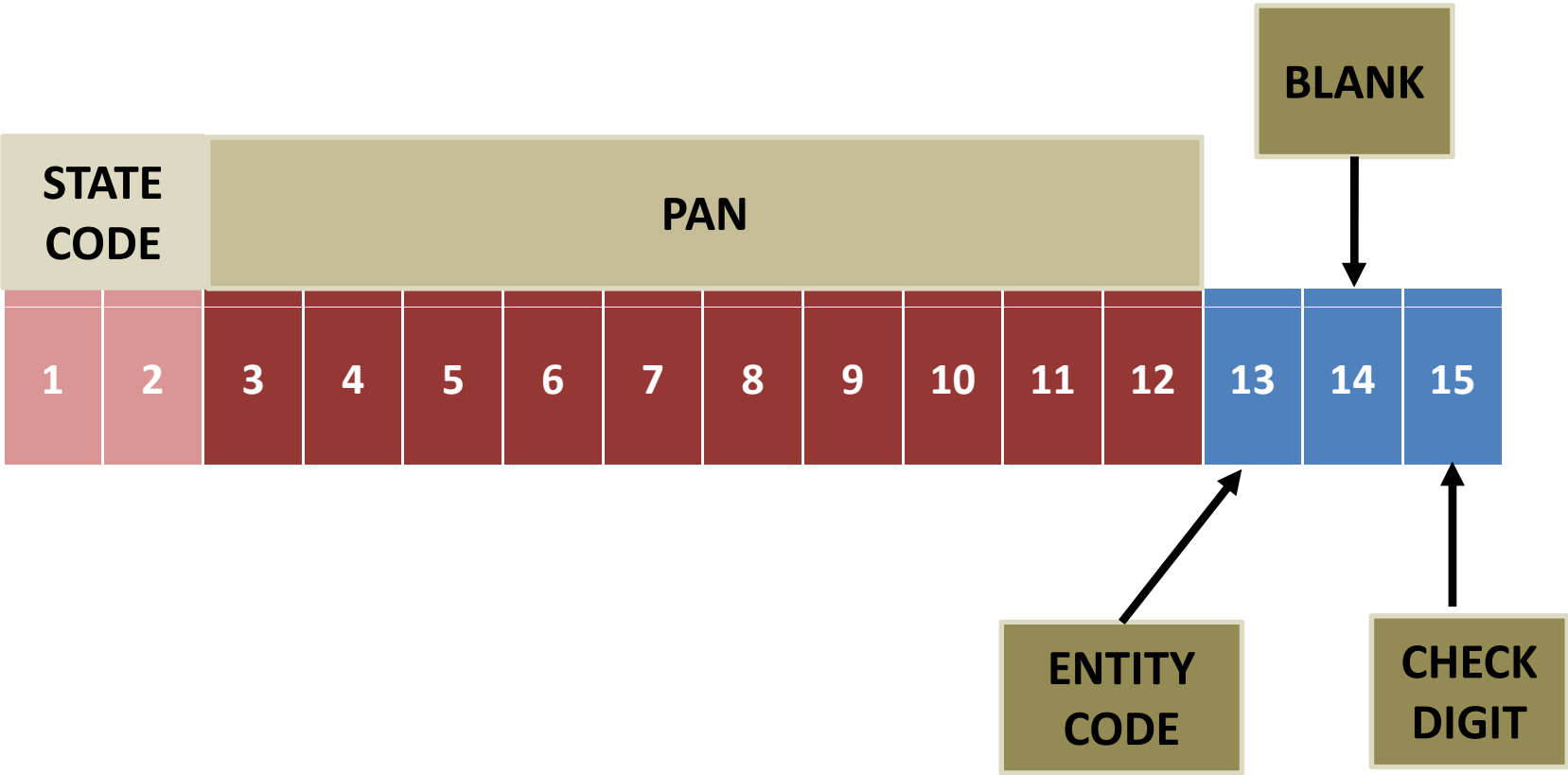


GST REG 01 (Part B)

Key Details/Information/Documents

- PAN
- Name as appearing in PAN
 - If proprietorship concern – Individual's name
- Opted for composition
- Casual dealer to provide estimated turnover and estimated liability of GST
- Existing registrations including IEC, CIN etc.
 - GSTIN also to be mentioned
- Details of all bank accounts maintained for conducting business
- Details of top 5 goods and/or services
- Photo, Passport, Aadhar No., residential address etc. of Partners, Managing Directors, Whole time Directors etc.
- Details of authorised signatory with Photo, Passport, Aadhar No., residential address etc.
 - Optional
- State Specific Information
 - PTEC, PTRC, State Excise License No.
- Consent is to be given to GSTN for obtaining details from UIDAI linked to Aadhar

GSTIN (Good and Services Tax Identification Number)



Registration of Casual and Non-Resident Person

- **Casual and Non Resident taxable persons** also have to apply for registration **without availing threshold exemption limit** in Form GST REG – 10 at least 5 days prior to commencement.
- Such taxable persons, have to make an **advance deposit of tax** in an amount equivalent to the **estimated tax liability**.
- Certificate of Registration would be for **90 days** from the **effective date of registration** and such period may be extended for a further period of 90 days on submission of application with fresh advance deposit.

Meaning of Casual and Non-Resident Person

- **Casual taxable person** means a person who **occasionally undertakes transactions** involving supply of goods / services in the course or furtherance of business whether as principal, agent or in any other capacity, in a taxable territory where he has **no fixed place of business**. [Section 2 (20)]
- **Non resident taxable person** means a taxable person who occasionally undertakes transactions involving supply of goods / services whether as principal or agent or in any other capacity but who has **no fixed place of business in India**. [Section 2 (68)]

Suo Moto Registration (1/2)

- During the course of any **survey, inspection, search or inquiry under the Act**, if Officer is of the view that a person is liable to registration and **failed to apply** for such registration, Officer may register such person on a temporary basis and issue an order in **Form GST REG 13**. [Rule 10(1)]
- Such registration would be **effective** from the **date of order** of registration.
- Such person has **right to file appeal petition** against the Order of grant of temporary registration.

Suo Moto Registration (2/2)

- Person to whom temporary registration is granted has to **apply for registration within 30 days** from the date of grant of temporary registration.
- Registration Certificate would be effective from the date of Order of registration and **before issuing Certificate, verification would be carried out** in the usual manner as provided in the rules.

Physical Verification of Business Premise

Proper officer is satisfied that



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graph TD; A[Proper officer is satisfied that] --> B[The physical verification of place of business is required post granting registration]; B --> C[He may verify and upload verification report with other documents including photographs]; C --> D[In GST REG-26 15 working days following the date of such verification];
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The physical verification of place of business is required post granting registration

He may verify and upload verification report with other documents including photographs

In GST REG-26 15 working days following the date of such verification

Amendment of RC

- If change relates to name of business, principal place of business, details of partners/directors/CEO etc.
 - Amendment application in 15 days in GST REG-11 with documents
 - Approval in 15 common working days after verification
 - Order in Form GST REG-12
 - Effective from the date of occurrence of event warranting amendment
- Other Changes
 - Amendment on submission of application in Form GST REG-11
 - Change in mobile number and E-mail ID of authorised signatory
 - Online Verification
- Change in constitution of business resulting in change of PAN
 - Fresh Application

Cancellation of Registration (1/2)

- Cancellation by tax payer or Proper Officer
 - Proper officer to cancel registration only after issuance of SCN and providing reasonable opportunity of being heard
 - Cancellation under CGST Act shall be deemed to be cancellation under SGST Act and vice versa
- Reasons for Cancellation
 - Discontinuation of business
 - Transfer of business
 - Death of proprietor
 - Amalgamation
 - De-merger
 - Disposal of business
 - Change in constitution of business
 - No longer liable to be registered

Cancellation of Registration (2/2)

- Cancellation possible even from earlier date if
 - Contravention of provisions of GST Law
 - Composition dealer has not filed returns consecutively for 3 tax periods
 - Other dealers – returns not furnished consecutively for 6 months
 - Voluntary registration – Business not commenced in 6 months from the date of registration
- If registration obtained by fraud, willful mis-statement, suppression of facts
 - Cancellation with retrospective effect
- ITC
 - Pay ITC of inputs in stock, contained in semi-finished or finished goods or output tax, whichever is higher
 - Capital goods: Pay after reducing ITC by specific %
- Revocation of cancellation in 30 days from the date of service of cancellation order

Registration Forms (1/4)

Form Number	Particulars
GST REG 01	Application for Registration
GST REG 02	Acknowledgement of Application
GST REG 03	Notice for seeking additional information / clarification / documents relating to application for registration / amendment / cancellation
GST REG 04	Application for filing additional information / clarification / documents relating to application for registration / amendment / cancellation
GST REG 05	Order of Rejection of application of Registration
GST REG 06	Registration Certificate
GST REG 07	Application for Registration of Tax Deductor or Tax Collector at Source
GST REG 08	Order of Cancellation of Tax Deductor or Tax Collector at Source

Registration Forms (2/4)

Form No.	Particulars
GST REG 09	Application for allotment of Unique ID to UN Bodies / Embassies etc.
GST REG 10	Application for Registration of Non Resident Taxable Person
GST REG 11	Application for amendment in particulars subsequent to registration
GST REG 12	Order of amendment of existing registration
GST REG 13	Order of allotment of temporary registration / Suo moto registration
GST REG 14	Application for cancellation of COR
GST REG 15	SCN for cancellation of registration
GST REG 16	Order of cancellation of registration
GST REG 17	Application for revocation of cancelled registration

Registration Forms (3/4)

Form No.	Particulars
GST REG 18	Order of approval of application for revocation of cancelled registration
GST REG 19	Notice for seeking clarification / documents relating to application for revocation of cancellation
GST REG 20	Application for enrolment of existing tax payer
GST REG 21	Provisional Registration Certificate to existing tax payer
GST REG 22	Order of Cancellation of provisional certificate
GST REG 23	Intimation of discrepancies in application for Enrolment of Existing Tax payer
GST REG 24	Application for cancellation of registration for the migrated taxpayers not liable for registration

Registration Forms (4/4)

Form No.	Particulars
GST REG 25	Application for extension of registration period by Casual / Non resident taxable person
GST REG 26	Field Visit report

Payments

Electronic Cash Ledger

- Tax on O/w Supplies
- Interest/ Penalty
- Pre deposit
- Assessment dues
- Compounding fee
- Reverse charge
- TDS credited
- Refunds rejected

Electronic Credit Ledger

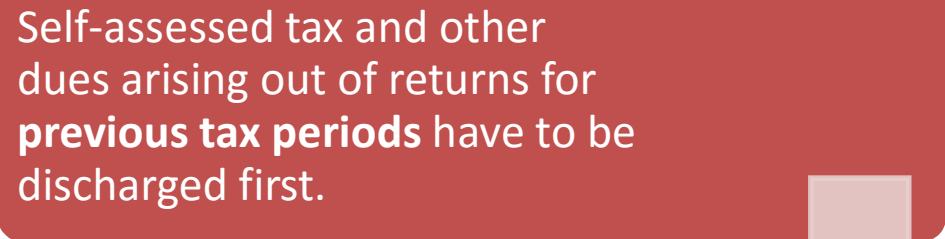
- ITC – I/w supplies
- ISD distribution
- Stock held - Registration
- Stock held – Conversion from composition
- ITC - reverse chrg
- Tax payments
- ITC reversals

Tax Liability Ledger

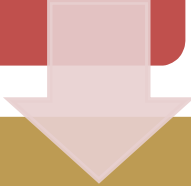
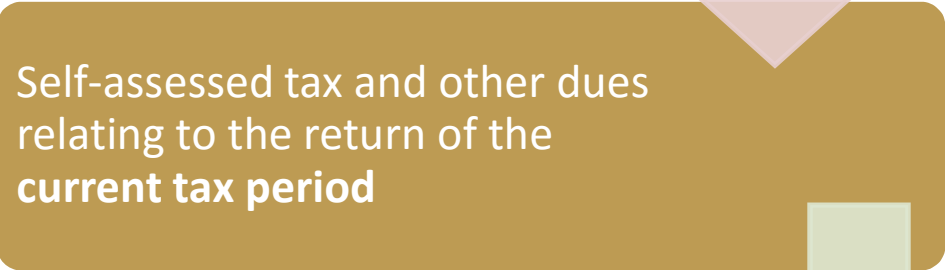
- Self assessment liability
- Demand – adjudication proceedings
- Reversal of ITC/ interest
- Compounding proceedings
- Relief granted by appellate authority
- Penalty reduced on payment to SCN

Payments – Order of Discharge


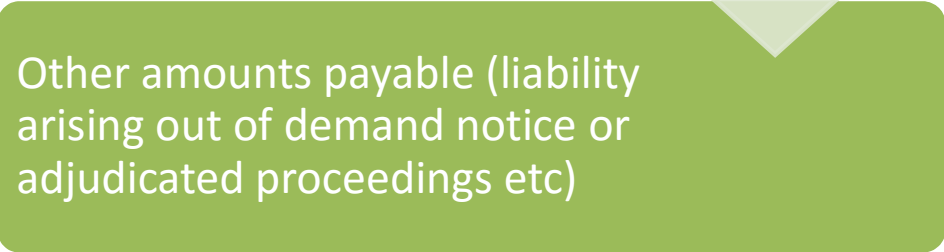
Self-assessed tax and other dues arising out of returns for **previous tax periods** have to be discharged first.



Self-assessed tax and other dues relating to the return of the **current tax period**



Other amounts payable (liability arising out of demand notice or adjudicated proceedings etc)



Date of payment - Date of credit to government treasury



Payment Forms

Form No.	Purpose
GST PMT – 1	Electronic Tax Liability Register of Taxpayer
GST PMT - 2	Electronic Credit Ledger
GST PMT – 2A	Order for re-credit of the amount to cash or credit ledger
GST PMT – 3	Electronic Cash Ledger
GST PMT – 4	Challan for deposit of Goods and Service Tax
GST PMT – 5	Payment register of temporary ID's / Unregistered Taxpayers.
GST PMT – 6	Application for credit of missing payment (CIN not generated)

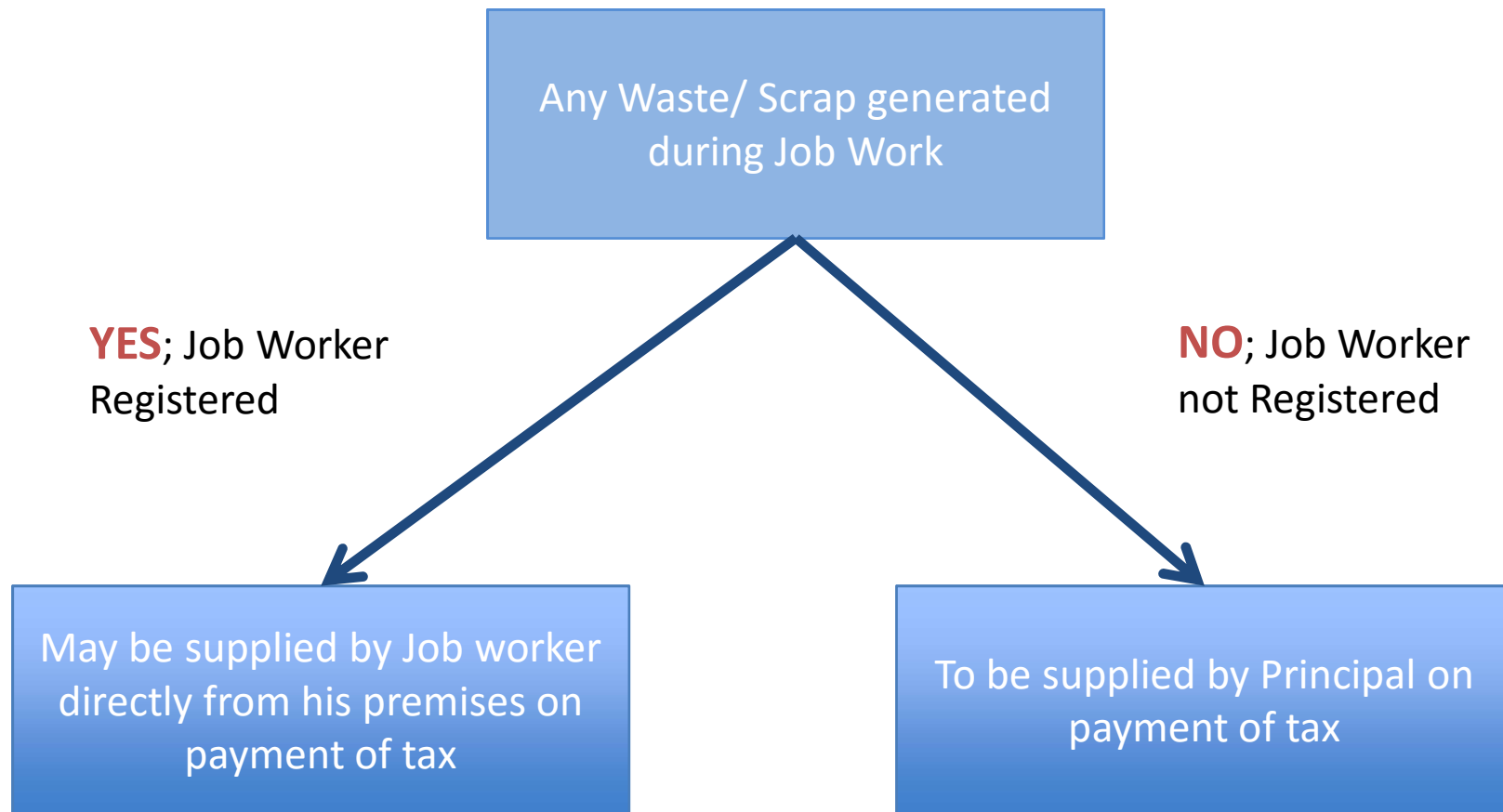
JOB WORK

- **“job work” means** any treatment or process undertaken by a person on goods belonging to another registered person and the expression “job worker” shall be construed accordingly.
- **Job Work is a service (GST @18%) – Limit of Rs. 20 lakh**
- **No GST on supply of raw material (RM) / semi finished goods** to Job worker
- **No GST on supply of RM/ semi finished goods** by **Job worker** to Principal manufacturer **(PM)**

- If goods sent to Job worker **not received** back **within 1 year** then **GST payable with interest**
- Period – **3 years** for Capital Goods
- **Goods** can be **cleared** from **Job worker's premises** directly
 - For exports/ within India
 - Job worker's premises should be additional place of business (APoB)
 - APoB not required – Job worker registered/ notified goods
- **Supply** of goods after Job Work by registered Job worker (to PM or directly to PM's customer) **not included** in **Job workers T/o – Explan to Section 22**

- **Inputs used by Job worker for job work** included in his T/o
- **Accounts and records** - Responsibility on **PM**
- Credit of inputs & Cap. Goods sent to J/w available to PM even if directly sent to J/w
- Inputs/ semi finished/ finished goods sent to Job worker in **existing law** but returned under **new law – No tax payable on removal of such inputs/ Cap. Goods by Job worker within 6 months GST**
- Goods to be issued to J/w under **Challan** as specified in Invoice Rule 10 **and details furnished in GSTR-1**

JOB WORK U/S 143 – SPECIAL PROCEDURE FOR REMOVAL OF GOODS



E-COMMERCE

- Current challenge – Whether goods/ service, multiple state laws
- electronic commerce - supply of goods and/or services including digital products over digital or electronic network
- 'electronic commerce operator' defined as 'any person who owns, operates or manages digital or electronic facility or platform for electronic commerce'
- Definition expanded to cover providers of platform (Amazon), suppliers of own goods/services online (Fab India/FB), entities issuing invoices for other's services (Google Play)

E-COMMERCE

- Govt. to notify services - **Intra state tax** on which shall be paid by **e-commerce operator**
- E-commerce operator to **appoint representative** if he does **not have physical presence** in taxable territory
- Every vendor on platform needs to register at every place of supply
- TCS **@ 2%** of Net Value of Taxable supplies to be **deducted** in case of **supplies, consideration** for which collected by E-commerce operator

- **“Net value of taxable supplies”** shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month
- **TCS** to be paid by the **10th** of the **following month**
- **Return** to be filed by the **10th** of the **following month**
- E-commerce operator furnish **Annual return** containing **details of supplies** made through it

- **Annual return** to be filed by **31 December** following end of F.Y.
- **Rectify mistakes** noticed in **monthly return** by rectifying transactions in subsequent month
- **Payment** arising out of **rectification** to be made with **interest**
- **Due date** – Due date of filing return for the month of September or Annual return
- **TCS credit** – appear in Cash ledger and claimed by Vendors in GST their return

- **Details of operator** matched with **vendor**
- If **mismatch not rectified** – added to **liability of supplier** where amount mentioned by operator is more
- Authority not below the rank of **Deputy Commissioner** may **serve a notice** requiring:
 - supplies of goods or services or both effected through such operator during any period; or
 - stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers, as may be specified in the notice

- **Information demanded** to be supplied within **15 working days**
- **Penalty** – Rs. 25,000/- for non furnishing

TRANSITIONAL PROVISIONS RELATED TO STOCK

- **Credit** of ITC shown in last return can be **claimed** on the **basis of self declaration**
 - Credit admissible under GST
 - Returns furnished upto Dec, 2016
 - Goods should not be exempt under GST
- Person under **Section 10 of CGST Act** not allowed to carry forward ITC
- **Unavailed CENVAT Cr.** on Capital goods can be **availed as ITC**
- **Eligibility** needs to be checked under **old law as well as GST**

- **Credit of eligible duties** in respect of inputs held in stock/ contained in semi-finished or finished goods on the appointed day **for person not liable to register under old law, exempted goods/ services, Works contractor availing 26/2012-ST, 1st stage/ 2nd stage dealer or registered importer**
 - Supplies taxable under GST
 - Inputs eligible for ITC under GST
 - Invoice evidencing payment of duty & not older than 1 year
 - Supplier not entitled to any abatement under GST
 - Utilisation within 6 months
- If **RTP does not have duty paid evidence**, will be eligible to credit if:
 - avail credit = 60% of CGST payable (in case goods liable to CGST \geq 9%)

- avail credit = 40% of CGST payable (in case other goods)
- in case of IGST payable credit available shall be 30%/ 20%
- credit availed needs to be passed on

- **RTP earlier** providing **taxable and exempt goods/ services** but **now taxable**
 - Eligible to CENVAT credit carried forward on 30th June
 - CENVAT credit of eligible duties in respect of inputs held in stock, semi-finished or finished goods, relating to such exempted goods or services

- **Tax paid under old law** but supplies received under GST – credit available if invoice recorded in Books of A/c by 30th July, 2017. **Period** can be extended by **30 days** by Commissioner

- **RTP paying tax at fixed rate or fixed amount** in lieu of tax, entitled to take credit in respect of stock if:
 - such inputs or goods are used or intended to be used for making taxable supplies
 - RTP not paying tax under Section 10
 - said registered person is eligible for input tax credit on such inputs under this Act
 - said registered person is in possession of invoice or other prescribed documents evidencing payment of duty
 - invoices were issued not earlier than twelve months immediately preceding the appointed day

Transitional Provision in respect of ITC on 30 June, 2017

Applicable To	Regd with	Condition	Excise/ VAT credit
Mfg/ Trader	Excise & VAT	Returns upto last 6 months filed	Excise & Vat credit as per June return
Mfg/ Trader	VAT & getting excise bills (Not regd under excise)	1. Op. stock separately identified 2. Op. Stock ageing less than 1 yr 3. Op. stock sold within 6 mnths 4. Details of stock to be furnished	Full credit of excise & VAT
Trader	VAT & getting excise bills (Not regd under excise)	As above	VAT- Full credit Excise – 60/40 scheme
Mfg/ Trader	Not regd under excise/ VAT but avails registration under GST		Full credit of Excise & VAT

- The **input tax credit** on account of any services received prior to the appointed day by an **ISD** shall be eligible for distribution as credit under this Act even if the invoices relating to such services are received on or after the appointed day
- Person having **centralised registration & obtained registration** under this Act, allowed to take credit of the amount of CENVAT credit carried forward in old return if:
 - furnishes his return for the period ending with the day immediately preceding the appointed day within three months of the appointed day

- in case the return for 30th June is revised within 3 months from appointed day, credit shown in revised return allowed only if it is less than Original
 - ITC should be allowable under this Act
 - Credit can be transferred to GSTIN having the same PAN as centralized registration
-
- **CENVAT credit** on **services reversed under old law** for non payment of invoice – allowed under GST if invoice paid within **180 days from 1st July**
 - Form **GST-TRAN-1** and **GST-TRAN-2** need to be **filed**